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[JOINT COMMITTEE PRINT]

SCHEDULE OF PRESENT FEDERAL EXCISE TAXES (AS OF JANUARY 1, 1989)

PREPARED BY THE STAFF

OF THE

JOINT COMMITTEE ON TAXATION

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INTRODUCTION

This pamphlet,[1] prepared by the staff of the Joint Committee on Taxation, provides a listing of present Federal excise taxes and tax rates as of January 1, 1989.[2] The pamphlet also provides data on Federal excise tax receipts for fiscal years 1988–1990. This pamphlet is intended to provide summary information on current Federal excise taxes for Members of the House Committee on Ways and Means, Members of the Senate Committee on Finance, and other Members of Congress.

The listing of the various current Federal excise taxes (Part I) is organized into 14 categories, including a category of "miscellaneous" excises. (*Note*: The crude oil windfall profit tax was repealed on August 23, 1988, in the Omnibus Trade and Competitiveness Act of 1988; P.L. 100–418, sec. 1941.) The listing includes information as to whether revenues from the particular excise taxes go into a Trust Fund (or other special fund), any scheduled expiration dates or changes in tax rates, and the pertinent sections of the Internal Revenue Code.[3] Part II of the pamphlet presents data on Federal excise tax receipts for fiscal years 1988–1990. An Appendix contains tables showing: (1) the excise tax rates on feedstock chemicals (sec. 4661); and (2) the list of taxable substances subject to the excise tax on certain imported (chemical) substances (sec. 4671).

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[1] This pamphlet may be cited as follows: Joint Committee on Taxation, *Schedule of Present Federal Excise Taxes (as of January 1, 1989)* (JCS–2–89) January 31, 1989.

[2] See also, prior Joint Committee staff pamphlet, *Schedule of Present Federal Excise Taxes (As of April 1, 1987)* (JCS–13–87), May 28, 1987.

[3] Code sections in the 9500's refer to the Trust Fund Code provisions. The other Code sections listed refer to the applicable excise tax provisions.

I. SCHEDULE OF PRESENT FEDERAL EXCISE TAX RATES

(AS OF JANUARY 1, 1989)

Tax (and Code section)	Tax rates
A. Alcohol Excise Taxes	
1. Alcoholic beverage taxes:	
Distilled spirits (sec. 5001)	$12.50 per proof gallon.
Wines (sec. 5041):	
Not more than 14 percent alcohol	17 cents per wine gallon.
14 to 21 percent alcohol	67 cents per wine gallon.
21 to 24 percent alcohol [1]	$2.25 per wine gallon.
Artificially carbonated wines	$2.40 per wine gallon.
Champagne and other sparkling wines	$3.40 per wine gallon.
Beer (sec. 5051)	$9 per barrel (31 gallons) generally.[2]
2. Alcohol occupational taxes: [3]	
Producers:	
Distilled spirits and wines (sec. 5081)	$1,000 a year per premise.[4]
Brewers (sec. 5091)	$1,000 a year per premise.[4]
Wholesale dealers (sec. 5111):	
Liquors, wines, or beer	$500 a year.
Retail dealers (sec. 5121):	
Liquors, wines, or beer	$250 a year.
Nonbeverage use of distilled spirits (sec. 5131)	$500 a year.
Industrial use of distilled spirits (sec. 5276)	$250 a year.

[1] Wines containing more than 24 percent alcohol are taxed as distilled spirits.
[2] $7 per barrel on the first 60,000 barrels removed each year by small domestic brewers who produce less than 2,000,000 barrels of beer during the calendar year.
[3] July 1–June 30 is the taxable year for these and other occupational taxes.
[4] Tax is $500 a year per premise for businesses with gross receipts of less than $500,000 in the preceding taxable year.

Tax (and Code section)	Tax rates
B. Tobacco Excise Taxes	
1. Cigars (sec. 5701(a)):	
Small cigars (weighing no more than 3 pounds per thousand)...	75 cents per thousand.
Large cigars (weighing more than 3 pounds per thousand).....	8½ percent of wholesale price (but not more than $20 per thousand).
2. Cigarettes (sec. 5701(b)):	
Small cigarettes (weighing no more than 3 pounds per thousand)...	$8 per thousand (i.e., 16 cents per pack of 20 cigarettes).
Large cigarettes (weighing more than 3 pounds per thousand)...	$16.80 per thousand.[5]
3. Cigarette paper and tubes:	
Cigarette paper (sec. 5701(c))	½ cent for each 50 papers.[6]
Cigarette tubes (sec. 5701(d))	1 cent for each 50 papers.[7]
4. Snuff, chewing tobacco, pipe tobacco:	
Snuff (sec. 5701(e)(1))	24 cents per pound.
Chewing tobacco (sec. 5701(e)(2))	8 cents per pound.
Pipe tobacco (sec. 5701(f))	45 cents per pound (effective on Jan. 1, 1989).
5. Tobacco occupational tax:	
Manufacturers or exporters of taxable tobacco products (sec. 5731)	$1,000 a year per premise.[8]

[5] Large cigarettes measuring more than 6½ inches in length are taxed at the rate prescribed for small cigarettes, counting each 2¾ inches (or fraction) as one cigarette.

[6] Cigarette papers measuring more than 6½ inches in length are taxed at the rate prescribed, counting each 2¾ inches (or fraction) as one cigarette paper. Tax does not apply to a book or set of cigarette papers containing 25 or fewer papers.

[7] Cigarette tubes measuring more than 6½ inches in length are taxed at the rate prescribed, counting each 2¾ inches (or fraction) as one cigarette tube.

[8] Tax is $500 a year per premise for businesses with gross receipts of less than $500,000 in the preceding taxable year.

Tax (and Code section)	Tax rates
C. Highway Trust Fund Excise Taxes (sec. 9503) [9]	
1. Motor fuels:*	
Gasoline (sec. 4081)	9 cents/gallon.
Diesel fuel (secs. 4041(a)(1), 4091)	15 cents/gallon generally.[10]
Special motor fuels (incl. alcohol fuels from petroleum) (sec. 4041(a)(2))	9 cents/gallon.
Methanol and ethanol fuels: [11]	
Fuels from other than petroleum or natural gas (sec. 4041(b)(2))	3 cents/gallon (i.e., a 6 cents/gallon exemption).[12]
Fuels from natural gas (sec. 4041(m))	4.5 cents/gallon (i.e., a 4.5 cents/gallon exemption).
Gasohol (sec. 4081(c))	3 cents/gallon (i.e., a 6 cents/gallon exemption for 10% or more alcohol-gasoline blend).
Diesohol (secs. 4041(k)(1), 4091(c))	9 cents/gallon (i.e., a 6 cents/gallon exemption for 10% or more alcohol-diesel blend).
2. Trucks and trailers:	
Trucks (over 33,000 lbs.) and trailers (over 26,000 lbs.) (sec. 4051) [13]	12 percent of retail price.

***See also E.2., "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon on motor fuels (through 1991).**

[9] The Highway Trust Fund taxes and exemptions are scheduled to expire after September 30, 1993.

[10] A net tax of 3 cents per gallon (12 cents/gal. refund or credit) applies to certain privately operated, scheduled intercity buses (sec. 6427(b)).

There is a one-time rebate (credit or refund) to the original purchaser of a qualified diesel-powered car, truck, or van having a gross vehicle weight rating of 10,000 pounds or less. The rebate varies with the model year (only available for post-1978 models) and type of vehicle (higher rebate for a truck or van than for a car). The credit applies to such vehicles owned as of January 1, 1985, or originally purchased after January 1, 1985 and before January 1, 1993 (sec. 6427(g)).

[11] Alcohol fuels the content of which is at least 85 percent of methanol, ethanol, or other alcohol.

[12] The additional 0.1 cent per gallon tax imposed under section 4041(d) for the Leaking Underground Storage Tank Trust Fund (see E.2, below) is 0.05 cent per gallon for such methanol and ethanol fuel (sec. 4041(b)(3)).

[13] Includes tractors of the kind chiefly used for highway transportation with a trailer or semitrailer.

Tax (and Code section)	Tax rates
3. Tires for highway vehicles (sec. 4071)	40 pounds or less—no tax.
	40–70 pounds—15 cents/pound over 40 pounds.
	70–90 pounds—$4.50, plus 30 cents/pound over 70 pounds.
	Over 90 pounds—$10.50, plus 50 cents/pound over 90 pounds.
4. Use tax on heavy highway vehicles (sec. 4481) [14]	Under 55,000 pounds—no tax.
	55,000–75,000 pounds—$100 plus $22 per 1,000 pounds over 55,000.
	Over 75,000 pounds—$550.
D. Airport and Airway Trust Fund Excise Taxes (sec. 9502) [15]	
1. Air passenger ticket tax (sec. 4261)	8 percent of amount paid.
2. International departure tax (sec. 4261(c))	$3 per person.
3. Domestic air cargo tax (sec. 4271)	5 percent of amount paid.
*4. Fuels taxes for noncommercial (general) aviation:**	
Gasoline (secs. 4081 and 4041(c))	12 cents per gallon.
Nongasoline (secs. 4041 (c) and 4091)	14 cents per gallon.

***See also E.2., "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon on motor fuels (through 1991).**

[14] Annual tax: the taxable period is July 1–June 30. Tax liability is incurred as of the first month the vehicle is used during the taxable period. If the first use is after July, the tax is prorated for the taxable period. The tax may be paid in quarterly installments.

The use tax is reduced by 25 percent for vehicles (1) used exclusively in transporting harvested forest products to and from the forested site and which are required to be registered for that purpose, or (2) registered in Canada or Mexico.

There is an exemption for vehicles used fewer than 5,000 miles on public highways during the taxable period (7,500 miles for farm vehicles), and for certain local transit buses. Also, there is a prorated refund of tax for trucks destroyed or stolen during the taxable period.

[15] The Airport and Airway Trust Fund taxes are scheduled to expire after December 31, 1990. The Airport and Airway Revenue Act of 1987 (Title IV of P.L. 100–223) provides that the aviation excise taxes (other than the departure tax) are to be reduced by one-half for 1990 if the total appropriations for fiscal years 1988 and 1989 for airport improvements, facilities and equipment, plus research, engineering and development are less than 85 percent of the total trust fund amounts authorized for these three programs for fiscal years 1988 and 1989.

Tax (and Code section)	Tax rates
E. Environmental Excise Taxes	
1. Excise taxes for Hazardous Substance Superfund (sec. 9507): [16]	
Crude oil tax (sec. 4611)	8.2 cents per barrel for domestic crude oil; 11.7 cents per barrel for imported petroleum products.
Tax on feedstock chemicals (sec. 4661)	Tax ranges from $0.22 to $4.87 per ton generally. (See Table 1 in the Appendix for specific tax rates for chemicals.) [17]
Tax on certain imported substances (sec. 4671) [18]	Generally taxed (beginning Jan. 1, 1989) at the rates applicable to taxable chemicals under sec. 4661 used as materials in the manufacture of the imported substance. If importer does not furnish adequate information to Treasury to determine tax rate, the rate is 5 percent of the value of such imported substance. No tax applies to a substance on which a tax is imposed under sec. 4611 or sec. 4661. (See Table 2 in the Appendix for initial list of taxable substances.)

[16] The Superfund also receives revenues from the environmental tax on corporations (sec. 59A), equal to 0.12 percent of the modified alternative minimum taxable income of the corporation in excess of $2,000,000. This tax applies generally to taxable years beginning after December 31, 1986, and before January 1, 1992 (with an earlier termination as determined below when the Superfund reaches certain levels of unobligated balance or total tax receipts).

The Superfund excise taxes are scheduled to expire after December 31, 1991, or earlier if (1) the Superfund unobligated balance exceeds $3,500 million at the end of 1989 or 1990, *and* if the unobligated balance is estimated to exceed this amount at the end of the following year if no Superfund taxes were to be imposed during such year, or (2) when total Superfund tax revenues exceed $6,650 million (including the sec. 59A tax revenues).

[17] For periods before 1992, the tax on xylene is $10.13 per ton, instead of $4.87.

[18] The excise tax on certain imported substances began on January 1, 1989, with the same expiration schedule as for the other Superfund taxes.

The Secretary of the Treasury is required to add any substance to the list if the Secretary determines that taxable chemicals constitute more than 50 percent of the weight or value of the materials used to produce such substance (determined on the basis of the predominant method of production); the Secretary may remove only those substances which meet neither test.

Tax (and Code section)	Tax rates
2. Taxes for Leaking Underground Storage Tank Trust Fund (sec. 9508): [19]	
Gasoline (sec. 4081(b)(2)(B))	0.1 cent per gallon (including aviation use).
Other motor fuels (secs. 4041(d) and 4091)	0.1 cent per gallon (including fuels used in motor vehicles, motorboats, trains, or aviation, but excluding liquid petroleum gas).
Fuels used in inland waterways (sec. 4042)	0.1 cent per gallon.
3. Tax for Oilspill Liability Trust Fund (sec. 9509):	
Crude oil (sec. 4611(c)(2)(B) and sec. 4611(f))	1.3 cents per barrel.[19a]
F. Communications (Telephone) Excise Tax	
Local and toll (long-distance) telephone and teletypewriter services (sec. 4251)	3 percent of amount paid (through Dec. 31, 1990).

[19] These taxes are scheduled to expire after December 31, 1991, or earlier if the net revenues from these taxes to the Trust Fund reach $500 million. (See also C.1., for Highway Trust Fund taxes on motor fuels; D.4., for Airport and Airway Trust Fund taxes on noncommercial aviation fuel; I., for tax on fuels used on inland waterways; and J., for tax on motor boat fuels.)

[19a] ***Note:*** This tax will go into effect only if "qualified authorizing legislation" is enacted before December 31, 1990, which is substantially identical to subtitle E of title VI, or subtitle D of title VIII, of H.R. 5300 (99th Congress) as passed by the House of Representatives. (See sec. 6108 of the Technical and Miscellaneous Revenue Act of 1988, P.L. 100-647.) The tax is to be terminated if $300 million or more is collected before January 1, 1992.

Tax (and Code section)	Tax rates

G. Gas Guzzler Excise Tax (sec. 4064)

Fuel economy rating (in miles per gallon):	Tax per vehicle
At least 22.5	0
At least 21.5 but less than 22.5	$500
At least 20.5 but less than 21.5	650
At least 19.5 but less than 20.5	850
At least 18.5 but less than 19.5	1,050
At least 17.5 but less than 18.5	1,300
At least 16.5 but less than 17.5	1,500
At least 15.5 but less than 16.5	1,850
At least 14.5 but less than 15.5	2,250
At least 13.5 but less than 14.5	2,700
At least 12.5 but less than 13.5	3,200
Less than 12.5	3,850

H. Harbor Maintenance Trust Fund Excise Tax (sec. 9505)

Tax on use of harbors (ports) (sec. 4461)	0.04 percent of value of commercial cargo loaded or unloaded at U.S. ports; exceptions for cargo donated for overseas use and for cargo (other than cargo destined for a foreign country) shipped between U.S. mainland and Alaska (except for crude oil), Hawaii, and/or U.S. possessions, as well as cargo shipped between Alaska, Hawaii, and/or U.S. possessions.

Tax (and Code section)	Tax rates
I. Inland Waterways Trust Fund Excise Tax (sec. 9506)	
Tax on diesel and other liquid fuels used by commercial cargo vessels on specified inland or intracoastal waterways (sec. 4042)*	
Through 1989	10 cents per gallon.
1990	11 cents per gallon.
1991	13 cents per gallon.
1992	15 cents per gallon.
1993	17 cents per gallon.
1994	19 cents per gallon.
1995 and thereafter	20 cents per gallon.
J. Aquatic Resources Trust Fund Excise Taxes (sec. 9504)	
1. Boating Safety Account taxes:	
Gasoline and special fuels used in motorboats (secs. 4081 and 4041(a)(2))**	9 cents per gallon (through Sept. 30, 1993); transfer to the Account limited to $60 million per year for fiscal years 1989 and 1990 and $70 million per year thereafter.[20]
2. Sport Fish Restoration Account taxes:	
Gasoline and special fuels used in motorboats (secs. 4081 and 4041(a)(2))**	9 cents per gallon (through Sept. 30, 1993); the balance of receipts in excess of the amounts indicated in J.1., above, and footnote 20 (sec. 9503(c)(4)(C)).
Sport fishing equipment (sec. 4161(a))	10 percent of manufacturers price; except 3 percent for electric outboard motors and certain fish finders (tax on fish finders limited to $30 per item).

***See also E.2., "Taxes for Leaking Underground Storage Tank Trust Fund," for additional tax of 0.1 cent per gallon on such fuel, through 1991.**

****See also E.2., for additional tax of 0.1 cent per gallon on such fuel, through 1991.**

[20] Sec. 9503(c)(4)(A). Also, $1 million per fiscal year of these motorboat fuel tax revenues goes to the Land and Water Conservation Fund (sec. 9503(c)(4)(B)).

Tax (and Code section)	Tax rates
K. Bows and Arrows and Firearms Excise Taxes	
1. Bows and arrows (sec. 4161(b))[21]	11 percent of manufacturer's price.[22]
2. Regular firearms and ammunition (sec. 4181):[21, 23]	
Pistols and revolvers	10 percent of manufacturer's price.
Firearms other than pistols and revolvers	11 percent of manufacturer's price.
Ammunition (shells and cartridges)	11 percent of manufacturer's price.
3. "Non-regular" firearms:[24]	
Occupational taxes (sec. 5801):[25]	
Importers and manufacturers	$1,000 a year per premise.[26]
Dealers	$500 a year per premise.
Transfer taxes (sec. 5811):	
Generally	$200 per transfer.
Certain concealable weapons (see sec. 5845(e))	$5 per transfer.
Making tax (sec. 5821)	$200 per firearm.

[21] Revenues from these taxes (secs. 4161(b) and 4181) are appropriated, in the fiscal year following receipt, to the Federal Aid to Wildlife Program ("Pittman-Robertson Fund") for support of State wildlife programs.

[22] The tax is imposed on bows having a draw weight of 10 pounds or more. Under P.L. 98-369, the tax on arrows was expanded to apply also to arrows *fewer* than 18 inches in length (only arrows 18 inches or more in length were taxed previously) which are suitable for use with a taxable bow (e.g., crossbows).

[23] There are annual Federal licensing fees for manufacturers, importers and dealers in regular firearms under the Gun Control Act of 1968 (18 U.S.C. 923).

[24] Firearms not listed above in K.2., i.e., machine guns, "destructive devices" (e.g., explosive devices such as bombs, grenades, small rockets, mines, etc.), sawed-off shotguns or rifles, silencers, and certain concealable weapons.

[25] July 1–June 30 is the taxable year for the occupational taxes. There are also annual Federal licensing fees for manufacturers, importers and dealers in destructive devices or ammunition for destructive devices (18 U.S.C. 923).

[26] Tax is $500 a year per premise for a business with gross receipts of less than $500,000 for a preceding taxable year.

Tax (and Code section)	Tax rates

L. Black Lung Disability Trust Fund Excise Taxes (sec. 9501)

1. Coal excise tax (sec. 4121)...	$1.10 per ton for coal from underground mines and 55 cents per ton for coal from surface mines (but no more than 4.4 percent of the coal's selling price).[27]
2. Excise taxes on black lung benefit trusts (secs. 4951, 4952, and 4953).....	Varying rates on certain activities. (See *"Penalty" excise taxes*, N.1.c., below.)

M. Vaccine Injury Compensation Trust Fund Excise Tax (sec. 9510)

	Vaccine[29]	Tax rate (per dose)
Excise tax on certain vaccines (sec. 4131)[28].....	DPT[30].....	$4.56
	DT[31].....	0.06
	MMR[32].....	4.44
	Polio.....	0.29

[27] Tax does not apply to lignite. On the earlier of January 1, 2014, or any January 1 after 1981 on which there is no balance of repayable advances to the Trust Fund and no unpaid interest on such advance, the tax rates are scheduled to return to the pre-1982 rates (i.e., 50 cents/ton for underground mines, and 25 cents/ton for surface mines, limited to 2 percent of the price).

[28] Tax is to be terminated after December 31, 1992, or earlier if tax collections exceed projected Trust Fund liability.

[29] Combinations of vaccines are taxed at the sum of the combined rates for each taxable vaccine.

[30] Diphtheria, Pertussis, and Tetanus (any vaccine containing pertussis bacteria, extracted or partial cell bacteria, or specific pertussis antigens).

[31] Diphtheria or Tetanus (other than a DPT vaccine).

[32] Measles, Mumps, or Rubella (vaccine against any one or combination of two or more of these).

Tax (and Code section)	Tax rates
N. Miscellaneous Excise Taxes	
1. "Penalty" excise taxes:	
a. Lobbying expenditures:	
Public charities making an election under sec. 501(h) (sec. 4911)	Tax of 25 percent of excess lobbying expenditures.
Charitable organizations disqualified from tax-exempt status because of lobbying expenditures (sec. 4912).....	Tax of 5 percent of lobbying expenditures on the organization; 5-percent tax also on the manager.
b. Private foundation activities:	
Self-dealing (sec. 4941).....	*Initial tax.*—5 percent of the amount of self-dealing on the self-dealer; 2½ percent on foundation manager (up to $10,000). *Additional tax.*—If the self-dealing is not corrected within the correction period, there is a tax of 200 percent of the amount on the self-dealer; also, a tax of 50 percent on a foundation manager (up to $10,000).

Tax (and Code section)	Tax rates
N. *1. "Penalty" excise taxes (Cont.)*	
Failure to distribute income (sec. 4942).....	*Initial tax.*—15-percent tax on the foundation on the amount remaining undistributed at the beginning of the second (or succeeding) taxable year. *Additional tax.*—If not corrected, there is an additional tax of 100 percent of the amount not distributed at the end of the correction period.
Excess business holdings (sec. 4943).....	*Initial tax.*—5-percent tax on the foundation on the value of the excess holdings. *Additional tax.*—If not corrected, there is an additional tax of 200 percent of the excess holdings at the end of a specified period.
Investments which jeopardize charitable purpose (sec. 4944).....	*Initial taxes.*—5-percent tax on the foundation on the amount of such investment; also a 5-percent tax on the foundation manager (up to $5,000). *Additional taxes.*—25-percent tax on foundation if the investment is not removed from jeopardy within the correction period; also, a 5-percent tax is imposed on the foundation manager (up to $10,000).
Taxable expenditures (sec. 4945).....	*Initial taxes.*—10-percent tax on the foundation on the amount of the taxable expenditure; also, a 2½-percent tax on the foundation manager (up to $5,000).

Tax (and Code section)	Tax rates
N. *1. "Penalty" excise taxes (Cont.)*	
	Additional taxes.—If not corrected, there is a tax of 100 percent on the foundation on the taxable expenditure; also, a tax of 50 percent on the foundation manager (up to $10,000).
c. Black lung benefit trusts:	
Self-dealing (sec. 4951).....	*Initial taxes.*—10-percent tax on the self-dealer on the amount of self-dealing; 2½-percent tax on trustee.
	Additional taxes.—If not corrected, a tax of 100 percent is imposed on self-dealer; 50-percent tax on trustee.
Taxable expenditures (sec. 4952).....	*Initial taxes.*—10-percent tax on the trust on the amount of the taxable expenditure; 2½-percent tax on trustee.
	Additional taxes.—If not corrected, a tax of 100 percent is imposed on the fund; 50-percent tax on trustee.
Excess contributions to benefit trust (sec. 4953).....	5-percent tax on the contributor on excess contributions to the trust.
d. Political expenditures of sec. 501(c)(3) organizations (sec. 4955).....	*Initial taxes.*—10 percent of political expenditure on the organization; 2½-percent tax on the manager.
	Additional taxes.—If not corrected, a tax of 100 percent of the political expenditure is imposed on the organization; 50-percent tax on the manager.

Tax (and Code section)	Tax rates
N. *1. "Penalty" excise taxes (Cont.)*	
e. Qualified pension, etc., plans:	
Failure to meet minimum funding standards (sec. 4971)	*Initial tax.*—Tax of 10 percent of accumulated funding deficiency is imposed on employer. (5-percent tax in the case of multiemployer plans and for plan years beginning before 1989.) *Additional tax.*—If not corrected, a tax of 100 percent of the deficiency is imposed on employer.
Nondeductible contributions to qualified employer plan (sec. 4972)	Tax of 10 percent of nondeductible contributions under the plan.
Excess contributions to IRAs, etc. (sec. 4973)	Tax of 6 percent of excess contributions to the plan is imposed on individual.
Certain accumulations in IRAs, etc. (sec. 4974)	50-percent tax on payee of the amount by which the minimum required to be distributed during the year exceeds the amount actually distributed during the year.
Prohibited transaction (sec. 4975)	*Initial tax.*—Tax of 5 percent of the amount involved in the prohibited transaction is imposed on the disqualified person. *Additional tax.*—If not corrected, a tax of 100 percent of the amount involved is imposed on the disqualified person.

Tax (and Code section)	Tax rates
N. *1. "Penalty" excise taxes (Cont.)*	
Disqualified welfare benefits (sec. 4976).....	Tax of 100 percent of the disqualified benefit amount.
Excess fringe benefits provided by an employer (sec. 4977).....	Tax of 30 percent of the "excess fringe benefits."
Section 1042 dispositions of securities by employee stock ownership plans and worker-owned cooperatives (sec. 4978).....	Tax of 10 percent of the amount realized on disposition.
Section 2057 dispositions of securities by employee stock ownership plans and worker-owned cooperatives (sec. 4978A).....	Tax of 30 percent of the amount realized on disposition or the amount repaid on certain loans.
Excess contributions under a cash or deferred arrangement (sec. 4979).....	Tax of 10 percent of the sum of excess contributions under a cash or deferred arrangement and any excess aggregate contributions under the plan for the plan year.
Prohibited allocations of qualified securities by employee stock ownership plans and worker-owned cooperatives (sec. 4979A).....	Tax of 50 percent of amount involved in a prohibited allocation.

Tax (and Code section)	Tax rates
N. *1. "Penalty" excise taxes (Cont.)*	
Reversion of qualified plan assets to employer (sec. 4980)	Tax of 15 percent of the amount of employer reversion from a qualified plan.
Excess distributions from qualified retirement plans (sec. 4980A)	Tax of 15 percent of excess distributions with respect to an individual during calendar year.
Violations of health care continuation rules (sec. 4980B)	Tax of $100 per day per failure to comply with the health care continuation rules.
f. Real estate investment trusts (sec. 4981A)	Tax of 4 percent of the excess of required distribution for calendar year over the distributed amount (i.e., on the undistributed income).
g. Regulated investment trusts (sec. 4982)	Tax of 4 percent of the excess of required distribution for calendar year over the distributed amount (i.e., on the undistributed income).
h. Excise tax on issuer of "registration-required obligation" not in registered form (sec. 4701)	Tax of 1 percent of the principal amount of the "registration-required obligation" (defined in sec. 163(f)) multiplied by the number of years (or portions) of the obligation.

Tax (and Code section)	Tax rates
N. *1. "Penalty" excise taxes (Cont.)*	
i. Excise tax on "golden parachute" excess payments (sec. 4999)	Tax of 20 percent of the "excess payment" (defined in sec. 280G(b)).
j. Excise tax on large group health plans (sec. 5000)	Tax of 25 percent of expenses of a "nonconforming large group health plan" (defined under sec. 1862(b)(4)(A)(i) of the Social Security Act).
k. Excise tax on "greenmail" (sec. 5881)	Tax of 50 percent of the gain realized from "greenmail" (any consideration transferred by a corporation to acquire its stock if (1) such stock has been held by the shareholder for less than 2 years, (2) the shareholder (or any related person or person acting in concert) made or threatened a public tender offer for stock during that period, and (3) such acquisition is pursuant to an offer which was not made on the same terms to all shareholders).
2. Excise tax on private foundation net investment income:	
a. Domestic foundations (sec. 4940):	
General rule	2 percent of net investment income.[33]
Tax where charitable payout increases by equivalent amount	1 percent of net investment income.
b. Foreign foundations (sec. 4948)	4 percent of gross investment income from sources within U.S.

[33] Certain operating foundations having public involvement and not governed or run by disqualified persons are exempt from the 2-percent tax.

Tax (and Code section)	Tax rates
3. Deep Seabed Revenue Sharing Trust Fund excise tax on certain hard minerals (mineral nodules containing manganese, nickel, cobalt, or copper) (sec. 4495)	3.75 percent of 20 percent (or 0.75 percent) of fair market value of commercially recoverable minerals.
4. Excise tax on foreign insurance policies (sec. 4371)	(a) *Casualty insurance and indemnity bonds.*—4 cents per dollar of premium paid. (b) *Life insurance, sickness and accident policies, and annuity contracts.*—1 cent per dollar premium paid. (c) *Reinsurance.*—1 cent per premium paid for reinsurance under (a) or (b).
5. Wagering excise taxes:	
Certain wagers (sec. 4401)	2 percent of amount of wager, except that tax is 0.25 percent in States where wagering is authorized by State law.
Occupational tax (sec. 4411)	$500 per year on person engaged or employed in business of accepting wagers (taxable period is July–June), except that tax is $50 per year in States where wagering is authorized by State law.

II. FEDERAL EXCISE TAX RECEIPTS, FISCAL YEARS 1988–1990 [1]

[In millions of dollars]

Tax	1988 actual	1989 estimate	1990 estimate
A. Alcohol Taxes			
Distilled spirits	3,876	3,788	3,734
Wines	280	284	289
Beer	1,610	1,622	1,634
Alcohol occupational taxes	135	110	110
Refunds (mostly distilled spirits)	−192	−188	−187
Total alcohol taxes	**5,709**	**5,616**	**5,580**
B. Tobacco Taxes			
Cigars	40	40	40
Cigarettes	4,550	4,396	4,228
Cigarette papers, tubes	2	2	2
Smokeless tobacco (snuff, chewing tobacco)	24	24	24
Pipe tobacco [2]		6	8
Tobacco occupational tax [3]	(*)	(*)	(*)
Other (imported products)	8	8	8
Refunds	−8	−8	−7
Total tobacco taxes	**4,616**	**4,468**	**4,303**
C. Highway Trust Fund Taxes			
Gasoline	9,167	9,348	9,392
Diesel fuel used on highways	2,755	3,395	3,154
Trucks and trailers	1,277	1,267	1,327
Tires for highway vehicles	334	318	320
Highway vehicle use tax	581	88	606
Other (repealed taxes)	1	3	4
Total Highway Trust Fund taxes	**14,115**	**14,919**	**14,803**
D. Airport and Airway Trust Fund Taxes			
Air passenger ticket tax	2,815	3,300	[4] 2,432
International departure tax	111	107	111
Domestic air cargo tax	168	180	[4] 134
Fuels taxes (general) aviation	95	101	[4] 68
Total Airport/Airway Trust Fund taxes	**3,189**	**3,688**	**[4]2,744**

II. FEDERAL EXCISE TAX RECEIPTS, FISCAL YEARS 1988–1990 [1]—Continued

[In millions of dollars]

Tax	1988 actual	1989 estimate	1990 estimate
E. Environmental (Trust Fund) Excise Taxes			
Excise taxes for Hazardous Substance Superfund	698	931	966
Fuels taxes for Leaking Underground Storage Tank Trust Fund	125	131	132
Refunds: Post-closure liability tax	−9	−12	.....
Total environmental excise taxes	**812**	**1,050**	**1,098**
F. Communications (Telephone) Tax	**2,610**	**2,755**	**2,954**
G. Gas Guzzler Tax	**114**	**123**	**133**
H. Harbor Maintenance Trust Fund Tax [5]	**174**	**219**	**234**
I. Inland Waterways Trust Fund Tax	**48**	**50**	**56**
J. Aquatic Resources Trust Fund Taxes			
Boating motor fuel tax	105	113	117
Sport fish equipment tax	103	92	86
Total Aquatic Trust Fund taxes	**208**	**205**	**203**
K. Bows and Arrows and Firearms Taxes			
Bows and arrows	12	12	13
Pistols and revolvers	29	30	31
Firearms (regular), shells, cartridges	85	87	89
Other ("nonregular" firearms, occupational)	(*)	(*)	(*)
Total bows and arrows, firearms taxes	**126**	**129**	**133**
L. Black Lung Disability Trust Fund Taxes			
Coal excise tax	594	606	627
Taxes on black lung benefit trusts	(*)	(*)	(*)
Total Black Lung Trust Fund taxes	**594**	**606**	**627**
M. Vaccine Injury Compensation Trust Fund Tax [3]	**74**	**92**	**99**

II. FEDERAL EXCISE TAX RECEIPTS, FISCAL YEARS 1988–1990 [1]—Continued

[In millions of dollars]

Tax	1988 actual	1989 estimate	1990 estimate
N. Miscellaneous Excise Taxes			
"Penalty" excise taxes:			
Employee benefit and pension plans	212	89	69
Other	(*)	(*)	(*)
Tax on foundation investment income	279	297	295
Deep Seabed Revenue Sharing Trust Fund tax on hard minerals	(*)	(*)	(*)
Foreign insurance policies	138	70	140
Wagering taxes (incl. occupational tax)	8	9	9
Refunds [6]	−139	−220	−20
Total misc. excise taxes	**498**	**245**	**493**
Addendum: Other Refunds and Unapplied Collections [7]	**2,056**	**31**	**852**
Total Federal Excise Taxes	**34,943**	**34,196**	**34,313**
General Fund Excises	**15,729**	**13,367**	**14,448**
Trust Fund Excises	**19,214**	**20,829**	**19,865**

* Less than $500,000.

[1] This revenue table generally follows the order for excise tax categories as in Part I of this pamphlet.

[2] Tax effective on January 1, 1989.

[3] Tax effective on January 1, 1988.

[4] The FY 1990 figure assumes that the aviation "tax reduction trigger" will be effective on January 1, 1990, which will reduce the aviation taxes (other than the departure tax) by 50 percent. (See footnote 15, page 6 *infra*.)

The President's FY 1990 Budget proposes to repeal this tax reduction trigger, which would increase the FY 1990 Airport and Airway Trust Fund tax revenues by $1,190 million.

[5] The harbor maintenance excise tax is classified as a Customs trust fund receipt in the fiscal year 1990 budget.

[6] $200 million of the FY 1989 amount is attributable to foreign insurance excise tax refunds under the Bermuda Tax Treaty as approved by the Senate in October 1988.

[7] ***Note:*** The crude oil windfall profit tax was repealed in the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418), effective for oil removed on or after August 23, 1988. Amounts (receipts and refunds) for this tax are included in this category.

SOURCE: *Fiscal Year 1990 Budget of the United States Government* and Treasury Department.

APPENDIX

Table 1.—Excise Tax Rates on Certain Chemicals for the Hazardous Substance Superfund [1]

Feedstock Chemical (Sec. 4661)	Tax per ton
Acetylene	$4.87
Benzene	4.87
Butane	4.87
Butylene	4.87
Butadiene	4.87
Ethylene	4.87
Methane	3.44
Napthalene	4.87
Propylene	4.87
Toluene	4.87
Xylene [2]	4.87
Ammonia	2.64
Antimony	4.45
Antimony trioxide	3.75
Arsenic	4.45
Arsenic triozide	3.41
Barium sulfide	2.30
Bromine	4.45
Cadmium	4.45
Chlorine	2.70
Chromium	4.45
Chromite	1.52
Potassium dichromate	1.69
Sodium dichromate	1.87
Cobalt	4.45
Cupric sulfate	1.87
Cupric oxide	3.59
Cuprous oxide	3.97
Hydrochloric acid	0.29
Hydrogen fluoride	4.23
Lead oxide	4.14
Mercury	4.45
Nickel	4.45
Phosphorus	4.45
Stannous chloride	2.85
Stannic chloride	2.12
Zinc chloride	2.22
Zinc sulfate	1.90

Table 1.—Excise Tax Rates on Certain Chemicals for the Hazardous Substance Superfund [1]—Continued

Feedstock Chemical (Sec. 4661)	Tax per ton
Potassium hydroxide	0.22
Sodium hydroxide	0.28
Sulfuric acid	0.26
Nitric acid	0.24

[1] The tax on feedstock chemicals is scheduled to expire December 31, 1991, or earlier if (1) the Superfund unobligated balance exceeds $3,500 million at the end of 1989 or 1990, *and* if the unobligated balance is estimated to exceed this amount at the end of the following year if no Superfund taxes were to be imposed during such year, or (2) when total Superfund tax revenues exceed $6,650 million (including the sec. 59A tax revenues).

[2] For periods before 1992, the tax rate for xylene is $10.13.

Table 2.—List of Taxable Substances Under the Excise Tax on Certain Imported Substances (Secs. 4671–4672)

Taxable Substance[1]	Taxable Substance[1]
Cumene	Ethylbenzene
Styrene	Methylene chloride
Ammonium nitrate	Polypropylene
Nickel oxide	Propylene glycol
Isopropyl alcohol	Formaldehyde
Ethylene glycol	Acetone
Vinyl chloride	Acrylonitrile
Polyethylene resins, total	Methanol
Polybutadiene	Propylene oxide
Styrene-butadiene, latex	Polypropylene resins
Styrene-butadiene, snpf	Ethylene oxide
Synthetic rubber, not containing fillers	Ethylene dichloride
	Chylohexane
Urea	Isophthalic acid
Ferronickel	Maleic anhydride
Ferrochromium nov 3 pct.	Phthalic anhydride
Ferrochrome ov 3 pct. carbon	Ethyl methyl ketone
Unwrought nickel	Chloroform
Nickel waste and scrap	Carbon tetrachloride
Wrought nickel rods and wire	Chromic acid
Nickel powders	Hydrogen peroxide
Phenolic resins	Polystyrene homopolymer resins
Polyvinylchloride resins	Melamine
Polystyrene resins and copolymers	Acrylic and methacrylic acid resins
Ethyl alcohol for nonbeverage use	Vinyl resins
	Vinyl resins, nspf

[1] For applicable tax, see E. 1, and relevant chemical feedstock tax rates in Table 1. Beginning in 1989, imported taxable substances generally are taxed at the rate applicable to the chemical feedstocks that are components of the taxable imported substance.

The Secretary of the Treasury is required to add any substance to the list if the Secretary determines that taxable chemicals constitute more than 50 percent of the weight or value of the materials used to produce such substance (determined on the basis of the predominant method of production); the Secretary may remove only those substances which meet neither test.

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